

Railway are expected to rise and only a net income of Rs. 4,60,000 could be provided in the next year's budget under railway receipts as against Rs. 4,62,000 in the revised estimate. But it is sincerely hoped that the actuals would disclose a much better return.

HARBOUR ADVANCES

24. The House will remember that according to the Harbour Agreement the Cochin Government advances two-thirds of the capital expenditure on account of the fourth stage works. So far they have advanced on this account a sum of Rs. 63.44 lakhs. The Harbour Authorities are to repay this amount in thirty equated annual instalments, the payments commencing ten years after receipt of the advances. Towards financing this scheme the Cochin Government among other means had to resort to a loan of Rs. 22 lakhs from the Government of India. The repayments of this loan in fifty equated annual payments have started and the balance in the loan of Rs. 22 lakhs at the end of May 1940 stood at Rs. 21.73 lakhs.

25. Besides these, the Cochin Government also found the cost of one Dredger purchased in connection with the fourth stage works and this Government have advanced to the Harbour Authorities on this account Rs. 13.33 lakhs. This is being repaid in twenty equated annual payments and so far besides interest up-to-date a capital of Rs. 1.17 lakhs has been repaid.

26. In the current year the Government advanced to the Harbour Authorities a sum of Rs. 1.13 lakhs towards two-third cost of one Warehouse. This carries interest at 4 per cent and is repayable in 25 equated annual payments, the payments commencing from next year.

27. No provision has been made in the next year's budget for any further advance under fourth stage or other allied works.

INVESTMENTS

28. The total investments in Banks, Government Securities, and Shares and Debentures in Companies excluding cash balance at the end of last year stood at Rs. 73,64,000.

At the end of the current and at the end of the next year it is expected to be

1415	..	..	Rs. 77,64,000
1416	..	..	Rs. 78,59,500

29. On account of the large investments of surplus cash in Securities there is now a substantial return under "Interest—Ordinary receipts". As a matter of prudent finance since there are considerable investments in Securities a "Securities Depreciation Fund" has also been opened under Personal Deposits, the account being credited with an annual contribution of Rs. 20,000 found by debit to interest charges. The total of this fund at the end of next year would stand at Rs. 60,000.

CONCLUSION

30. As in the previous years this year also I am happy to emphasise that the financial position both at the end of the current year and at the end of next year continue to be very prosperous. The ordinary revenue is expected to yield a surplus of Rs. 7,87,000 as per the revised estimate of the current year, and the same as per the budget estimate of next year is expected to come to Rs. 5,52,900. And as to the accumulated assets of the State at the end of the current year the assets over liabilities would come to over Rs. 116 lakhs while the same for next year would rise to about Rs. 122 lakhs. This is after providing for every possible commitment Government have undertaken and also after providing for a substantial and growing Revenue Reserve Fund.

Lastly I beg to submit for the consideration of the House the budget estimates for Cranganur as well. As in the previous year, the expenditure has been more than the receipts as evidenced below. The actuals of 1114 showed a deficit of Rs. 29,000. The revised estimate for 1115 shows a deficit of Rs. 37,000 and in the budget estimate for the next year there is a deficit of Rs. 50,000. Although the expenditure exceeded the receipts the allotment under the various heads of disbursements have not been curtailed. Necessary amounts have been provided in the next year's budget as well. The expenditure under Public Works, Education, Medical, Sanitation, Conservancy and Panchayats, etc., has been maintained at the usually high level. I request that the House may be pleased to consider these allotments as well along with the State estimates at the appropriate time.

(The House rose for lunch at 12-25 p.m. and re-assembled at 3-30 p.m. with the Hon'ble President in the Chair)